

# CORPORATE REPORT TO THE COMMUNITY



FISCAL YEAR ENDING DECEMBER 31, 2004, AND BUDGET YEAR 2005

## FINANCIALLY STRONG AND THRIVING TIMELY FOCUS ON REDEVELOPMENT, HOUSING OPTIONS AND INFRASTRUCTURE IMPROVEMENTS KEEPS BLOOMINGTON ROBUST

By Mayor Gene Winstead

**W**E LIVE IN A SAFE, VIBRANT and healthy community well served and protected by police and fire services. Streets are safe and functional; drinking water is clean and plentiful. Our quality of life is enhanced with quality housing, well-maintained parks, and educational, cultural and recreational opportunities for all ages.

The City of Bloomington's excellent financial position and long-term planning have helped keep taxes low so that residents' needs are met at a reasonable price. Compared to other monthly bills, City services remain a bargain: \$17.49 for police protection, \$14.13 for plowed and well-maintained streets, and \$6.30 for fire protection. *See page CR2.*

The City Council adopted a 2005 General Fund budget with an increase that has averaged 1.46 percent over the past three years.

Property taxes allocated to the General Fund have increased only 3.27 percent since 2003, in spite of losing \$1.6 million in state aids in each of the past three years.

One way to accomplish our goals is through continued financial strength. In October 2004, Fitch Ratings awarded its highest AAA bond rating to the City. Bloomington also maintains an Aaa from Moody's and an AAA from Standard & Poor's. Of more than 87,000 local governments in the U.S., only 20, including Bloomington, have achieved three triple-A ratings. *See page CR6.*

The city reached a milestone in 2005 when its real estate market value surpassed \$10 billion. *See pages CR4 and CR5.* The achievement is

an indication that Bloomington is a dynamic community where people want to live, do business and reinvest in homes, businesses and schools.

Redevelopment projects, more housing options for residents and improved infrastructure continue to revitalize our city. Highlights of 2004 include:



**LIGHT-RAIL TRANSIT** arrived in Bloomington, spurring a \$700 million transit-oriented development with a light-rail station as the focal point. Bloomington Central Station, McGough's 43-acre project, integrates 1,100 housing units, a 200-room hotel, offices, retail and a central park. *See page CR5.*

**IKEA's** grand opening was attended by thousands of shoppers. The 336,000-square-foot home furnishings store kicked off the first stage of additional phases of the Mall of America. Infrastructure improvements in the area included reconstruction of Lindau Lane to accommodate the increased traffic.

**LYLE BERG BRIDGE** construction began over I-35W on the American Boulevard corridor. The bridge is a critical link in the parallel arterial that will provide Bloomington residents with an alternate way to travel across the community. The route will also help ease congestion on I-494. *See page CR8.*

**THE VILLAGE ON 9 MILE CREEK** moved forward on a four-story condominium building and 20-unit townhouse development. The project will add 40 townhomes and 120 condominiums valued at \$50 million on the former City Hall site. *See page CR4.*

**LYNDALE GREEN REDEVELOPMENT** at 84th Street and Lyndale Avenue started with a new Cub Foods store. Construction began on a 10,500-square-foot retail center, the 95-unit Applewood Pointe Senior Cooperative,

46 townhouses and a one-acre public park adjacent to the grocery store. *See page CR4.*

Bloomington's financial condition is among the best in the state and the nation. This enables us to continue to provide services that meet our residents' needs and look for new opportunities that enhance our city. The Council is reviewing Bloomington's long-range goals and developing a strategic plan for development, redevelopment, City services, infrastructure, and fiscal strength and stability for the next 20 years. We are committed to protecting and improving the lives of residents and ensuring that Bloomington remains a high-quality place to live, work and visit – all day, every day.



The monthly expenses for City services described in this report use a median-priced home in Bloomington that has a 2004 assessor's market value of \$214,400, with monthly property taxes for City services of \$57.14.

### INSIDE

- PAGE CR2.** What your tax dollar buys.
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Award for  
Outstanding  
Achievement in  
Popular Annual  
Financial Reporting

PRESENTED TO

CITY OF BLOOMINGTON,  
MINNESOTA

For the fiscal year ending  
December 31, 2003



### CITY NETS FINANCIAL AWARD

THE GOVERNMENT Finance Officers Association (GFOA) of the United States and Canada has given the City of Bloomington the Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year ended December 31, 2003. This prestigious national award recognizes the City's conformance with the highest standards for preparation of state and local government popular reports. The City of Bloomington has received a Popular Award for the last six years, the Distinguished Budget Award for the last eight years and the Certificate of Excellence in Government Reporting for the past 33 years.



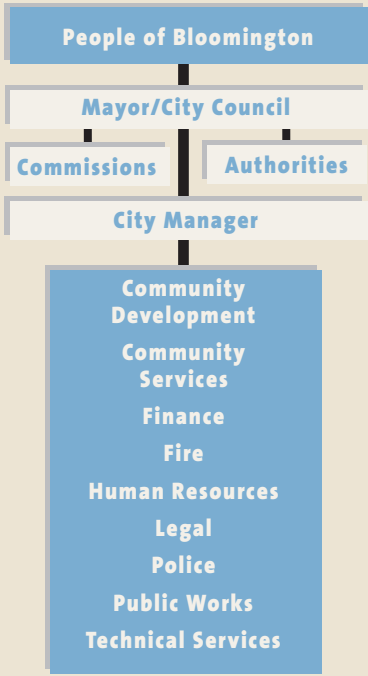
#### CHECK OUT THE FINANCIAL REPORTS ONLINE

WOULD YOU LIKE TO know more about the City's finances? *Bloomington's 2005 Annual Budget Report, Budget Summary and Corporate Report to the Community* are available on the City's Web site. Visit [www.ci.bloomington.mn.us](http://www.ci.bloomington.mn.us), keywords: Finance Department.



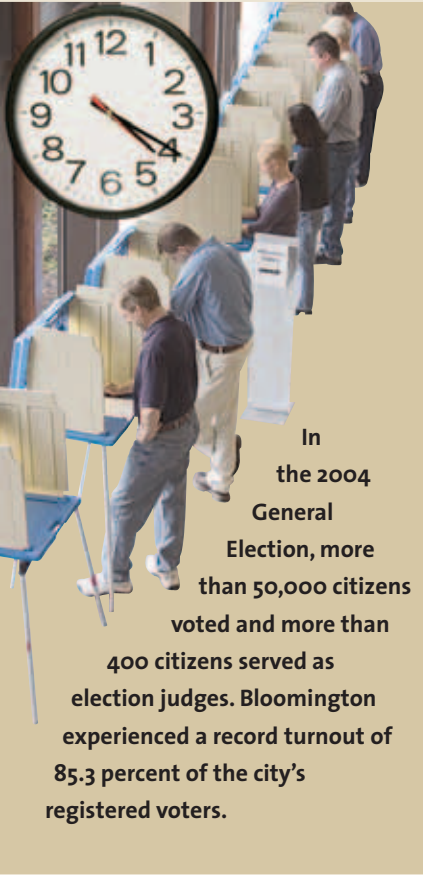


# ALL DAY, EVERY DAY



## CITY OF BLOOMINGTON ORGANIZATIONAL CHART

BLOOMINGTON’S CHARTER PROVIDES for a council-manager government. The City Council and Mayor, elected by the people, exercise legislative power and determine all City policies. Advisory boards and commissions gather information and advise the City Council on specific issues. Policy development and day-to-day operations are directed by the Council-appointed City Manager. The City Manager oversees the eight departments and the Technical Services Group that carry out the services, activities and policies of the City of Bloomington.



## HOW TAX DOLLARS BUY CITY SERVICES

### HIGH-QUALITY CITY SERVICES REMAIN REASONABLY PRICED FOR BLOOMINGTON RESIDENTS

RESIDENTS RECEIVE A VARIETY OF CITY services at an affordable price. The cost of City services in 2005 for the owner of a median-priced, single-family home in Bloomington with a 2004 assessor’s market value of \$214,400 is \$57.14 per month. Utilities remain competitively priced in 2005. The value received from City services compares favorably to charges for other monthly bills.

Net property tax cost is obtained by subtracting all revenue sources other than the property tax from departmental expenditures. Water and sewer utilities are fee-based.

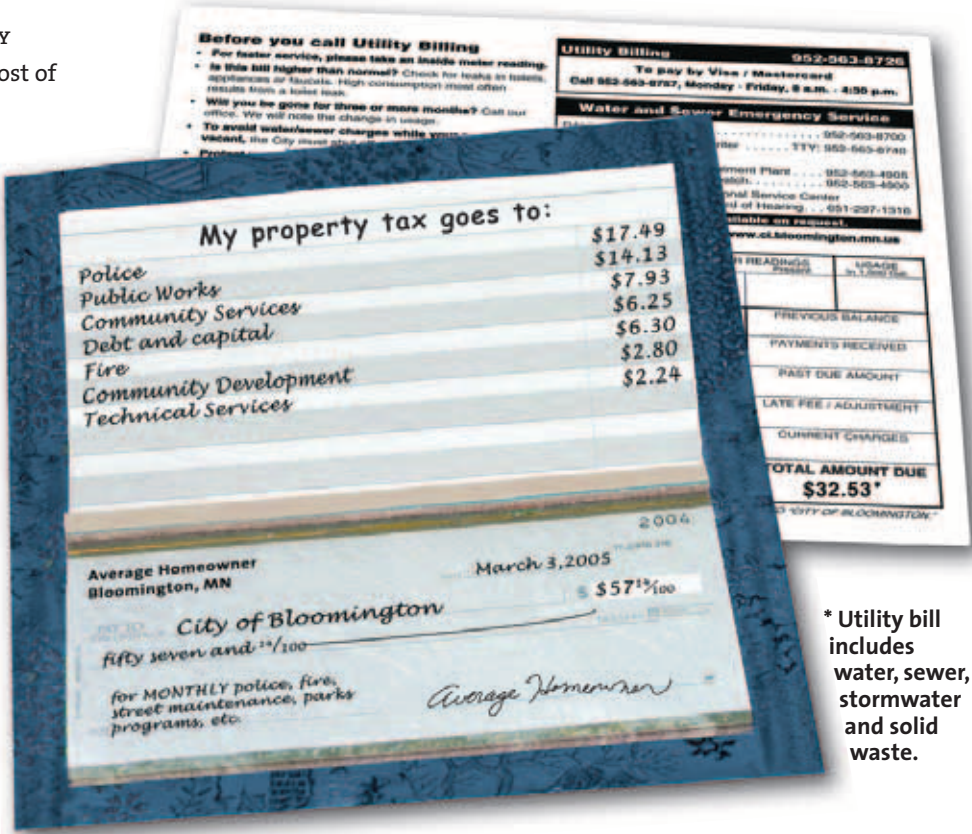
#### Property tax-supported services

The checkbook shows how the monthly cost of property tax-supported services is divided among City departments.

#### Monthly cost of utilities

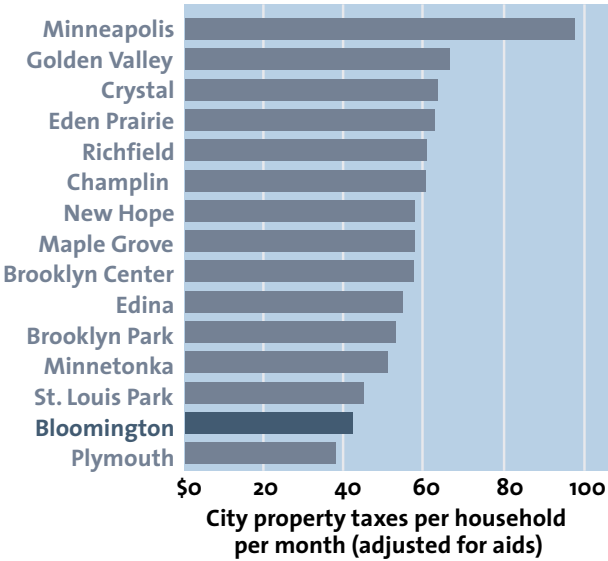
The monthly cost of utilities for a median-priced home in Bloomington is \$32.53 in 2005. Services include water, sewer, stormwater and solid waste. Charges, based on an average usage of 7,500 gallons per month, have remained stable since 1996.

*Note: Water bills are mailed bimonthly and average \$65.06 per bill.*



\* Utility bill includes water, sewer, stormwater and solid waste.

### BLOOMINGTON RANKS WELL IN HENNEPIN COUNTY TAX RATE COMPARISON



IN A 2004 COMPARISON of 15 communities in Hennepin County with more than 20,000 residents, the average household cost of services in terms of property taxes and property tax aids (when adjusted for Fiscal Disparities) showed Bloomington ranking second lowest. The average household in Bloomington paid \$42.32 per month in property taxes to the City.

### STRONG HOME VALUE GROWTH CONTINUES



CITY SERVICES ENHANCE OUR LIVES and provide a stable foundation, helping home values grow. Median home value has increased from \$195,800 in 2003 to \$214,400 in 2004, a 9.5 percent increase. See page CR5.

The City works hard to provide a broad range of quality municipal services at one of the lowest property tax costs per household in the metropolitan area. Homeowners’ “investment” of approximately \$680 per year in City services has aided the average home value increases of more than \$17,000 per year for the past four years. A good investment in services is one of the factors that helps promote home equity appreciation.

### DIVIDING UP YOUR 2005 TAX DOLLAR

YOUR TAX DOLLAR IS DIVIDED AMONG SEVERAL GOVERNMENTAL entities. As the graphic shows, for every dollar of taxes paid, 33 cents are for City services.

The actual amount of taxes owed is based on market value, tax law and the levy. The levy for all local governmental entities is spread across properties within the city’s boundaries using tax capacity, a function of market value and property type. After applying educational aids, a Bloomington homeowner with a median-valued home pays \$2,367 in property taxes. Of that, \$686, or \$57.14 per month, goes to the City for services. The remaining \$1,681 goes to the School District, County and other taxing districts.



42¢ Hennepin County  
33¢ City of Bloomington  
16¢ Bloomington School District  
9¢ Other agencies





## ALL DAY, EVERY DAY



# 2004 SERVICE HIGHLIGHTS

## EXCELLENCE IN SERVICE – DAY IN AND DAY OUT

FROM SUNUP TO SUNDOWN AND THROUGHOUT THE NIGHT, THE CITY OF Bloomington’s dedicated professionals provide services that protect the public, meet diverse needs and enhance the quality of life in our community.

### SAFE AND FUNCTIONAL STREETS FOR EVERY SEASON MANAGEMENT PROGRAM PROLONGS PAVEMENT LIFE, REDUCES COSTS

The City has a successful program in place for maintaining the life of Bloomington’s streets. The Pavement Management Program (PMP) identifies, inventories and tracks street condition to ensure that the appropriate maintenance is done at the appropriate time. The results are prolonged pavement life and reduced overall costs to property owners.

Many City streets were installed more than 50 years ago during

Bloomington’s population and building expansion. The PMP was initiated to keep an already good maintenance program rolling for Bloomington’s aging streets. In 1992, it was predicted that if no program were adopted, more than 45 percent of streets would fall into the problem category by 2012. Since the program began more than 13 years ago, less than 5 percent of streets are in the problem category.



*The Pavement Management Program increases a street’s lifespan by using preventative maintenance to delay costly reconstruction. If we continue to fund the program, the additional cost to overlay streets over the next 20 years would be \$34 million. If we let the streets decline into the problem category, a total reconstruction would be necessary at a cost of more than \$50 million.*

Mayor Gene Winstead

### CURRENT INFORMATION ROUND-THE-CLOCK EXPANDED ONLINE SERVICES SAVE CUSTOMER AND STAFF TIME

Expansion of City services online has increased efficiency and improved service by saving customer and staff time, and by making more information available to users anytime – day or night.

Want to know regulations for building a garage or installing a deck or pool? Bloomington has one of the metropolitan area’s most extensive lists of state code-driven handouts available online. Information sheets and handouts are popular on the City’s Web site –

8,900 people looked at 184,512 pages last year. The information is up-to-date and many of the handouts contain easily understood illustrations and examples.

In 2004, residents and contractors could also determine the status of their building permits online by entering a valid permit number for a status report from the previous business day. To date, this new service has been used 2,375 times.

For information, visit the City’s Web site at [www.ci.bloomington.mn.us](http://www.ci.bloomington.mn.us), keywords: Handouts or Permit status.



*Permits are a good revenue source for the City. In 2004, 12,344 building permits were issued, totaling almost \$2.8 million in fees paid to the City. We look to see how we can improve service to our users. Calls for this kind of information have dropped dramatically since we put the information online.*

Building and Inspection Program Coordinator  
Sandy Harvey

#### NEW TO THE WEB IN 2004

The City’s Web site now lists special assessments adopted by the City Council, a downloadable pet-license form and up-to-date information on properties and projects in Bloomington including development, street construction, street sweeping and utility work.

Bloomington is a national award winner for outstanding participation in National Night Out with more than 313 registered neighborhood parties and was recognized as the eighth best in the nation among cities with populations from 50,000 to 99,999.



### HEALTH AND SAFETY UPDATES IN AN EMERGENCY ENHANCING COMMUNICATION AND IMPROVING RESPONSE

Excellent communication is critical to an effective emergency response. If an infectious disease outbreak or bioterrorism incident were to occur in the Twin Cities metropolitan area, state and local public health professionals would need the ability to quickly and efficiently distribute information to protect the public.

In August 2004, Health Alert Network’s (HAN) round-the-clock fax, phone and e-mail information exchange between Bloomington Public Health and other public health agencies, law

enforcement and community partners was enhanced. The updated network includes 82 medical clinics, 14 veterinary clinics and an expanded database of hospitals, pharmacies, nursing homes, assisted-care providers, residential-living facilities, parish and school nurses, and other licensed providers.

In the event of a health outbreak or emergency, the Minnesota Department of Health uses HAN to distribute information quickly to local health departments. Bloomington Public Health relays relevant and time-sensitive alerts

to health professionals and other public safety providers in Bloomington, Edina and Richfield. Funding for HAN is provided by the Centers for Disease Control and Prevention.



*Rapid communication helps us identify public health trends earlier, which could mean the difference between disease control and thousands being infected.*

Public Health Emergency Preparedness Coordinator  
Denise Dunn





# ALL DAY, EVERY DAY

## BUILDING A \$10 BILLION COMMUNITY BLOOMINGTON CONTINUES TO GROW STRONGER DAY BY DAY

BLOOMINGTON REACHED A MILESTONE in 2005 when the city’s total real estate market value surpassed \$10 billion. Growing the city’s tax base is important to each taxpayer because taxes on all properties in Bloomington are reduced by spreading costs across a larger base.

Growth has been spurred, in part, by Bloomington’s location. Proximity to an international airport, the intersection of two interstate highways and, most recently, light-rail transit attracts businesses that add value and provide economic activity.

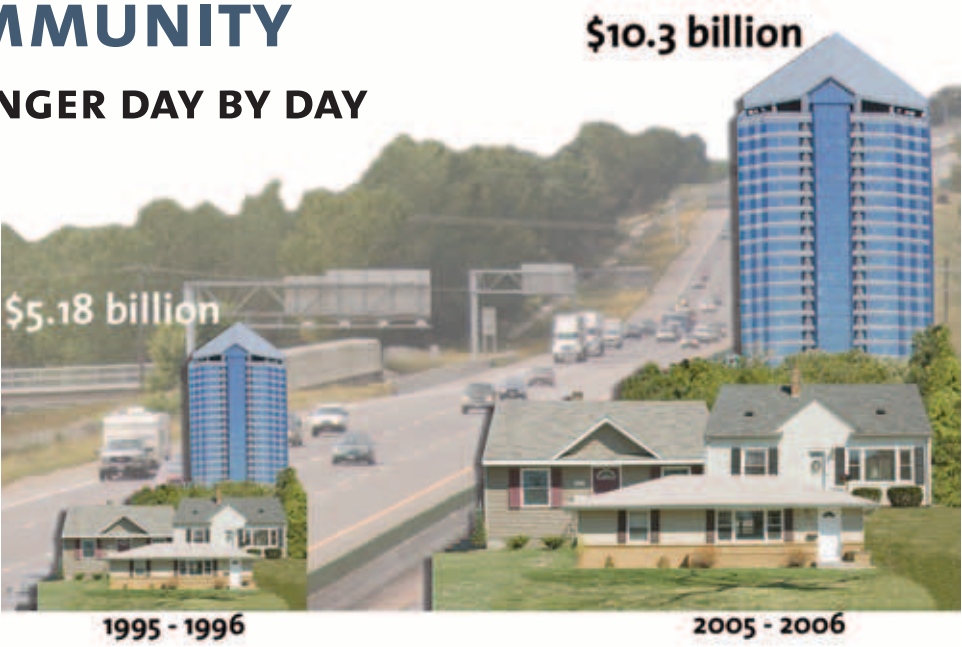
Bloomington also continues to thrive because it’s a place where people want to live. Excellent schools, well-maintained streets, renewed properties and beautiful parks create greater

market demand, increasing the value of existing properties.

Bloomington’s financial strength is excellent. The City holds the highest bond ratings from Fitch, Moody’s and Standard & Poor’s, communicating to businesses and individuals that Bloomington is a healthy, well-run community.

Cliff Hoffman, partner with the City’s independent accounting firm Deloitte and Touche, says a successful city is a growing city because there are the opportunities and funds to provide the amenities that citizens want.

“Bloomington’s market value growth has exceeded the rate of inflation by more than double,” Hoffman said. “The future of



Bloomington is better because the City can take care of its infrastructure and citizens’ needs so that it will continue to be a desirable place to live and an attractive place for new development.”

**REAL ESTATE MARKET VALUES SOAR**  
Major redevelopment, renewal of existing properties and infrastructure improvements have doubled the city’s tax base since 1995, allowing property taxes to be spread over a larger base and reducing costs to taxpayers.



A full-service grocery store, part of the Lyndale Green redevelopment, offers area residents convenience in a pleasant setting.

### POSITIVE GROWTH DECADE AFTER DECADE

Over the past 45 years, many events have contributed to Bloomington’s growth. This timeline, running from 1960 to 2005, shows how development, community renewal projects, infrastructure improvements and investment in schools have all had a positive impact on the city’s total real estate market value.



1960

City’s overall market value: \$270 million.  
Ward’s Southtown built.  
I-35W completed.

1965

Kennedy High School built.

1968

Normandale Junior College opened.

Jefferson High School built.

1970

1974

City’s overall market value: \$900 million.  
Water Treatment Plant completed.  
Voters approve \$6.3 million for public buildings and parks.

1973

Norwest Financial Center built.

1982

Normandale Office Park is constructed; first of four office buildings.



### THE CITY PLAYS AN IMPORTANT ROLE IN COMMUNITY GROWTH

Maintaining quality services is key to a community’s growth. The City of Bloomington helps market values grow by maintaining and enhancing the investment residents and businesses have made in the community. Through public safety services, water, sewer, roads and parks, the City addresses the common needs of all property owners.

The City has policies that seek constant and sustainable renewal of the community. As part of the process, the City identifies where its involvement will encourage redevelopment.

Since 1997, the City has provided more than \$7 million for property enhancement initiatives such as acquisition of vacant buildings and the rehabilitation of blighted properties. The Lyndale Green project and redevelopment around France Avenue and Old Shakopee Road are examples.

#### Lyndale Green

United Properties, with assistance from the Bloomington Housing and Redevelopment Authority (HRA), is

constructing Lyndale Green redevelopment at 84th Street and Lyndale Avenue. The project includes a new Cub Foods store that opened in 2004 and a 10,500-square-foot retail center, a 95-unit senior cooperative, 46 townhouses and a one-acre public park under construction in 2005.

Constructing a new full-service grocery store, along with commercial space and housing, enhances neighborhood desirability and preserves surrounding property values.

“If you drive by a vacant building and an older grocery store, it could suggest that the neighborhood is on the decline,” said HRA Administrator Regina Harris. “The majority of residents in the neighborhood were behind the project because they wanted a new store and they wanted to see the area renewed.”

#### Village on 9 Mile Creek

The City’s involvement in a new office facility was a catalyst for change. Constructing Bloomington Civic Plaza revitalized a highly visible parcel at 98th

Street and Old Shakopee Road and opened the door for redevelopment in the area. The move freed up the old municipal building site at 2215 W. Old Shakopee Road for the Village on 9 Mile Creek redevelopment. Construction of 120 condominiums and 40 townhouses has begun on the seven-acre site and will be valued around \$50 million, resulting in a substantial increase in the City’s tax base.

The Village on 9 Mile Creek redevelopment will increase the City’s tax base and create 160 new homes.







# ALL DAY, EVERY DAY

## BIG NEW DEVELOPMENT CONTINUES TO BOOST VALUES

Much of the city’s appreciating market value is in existing properties, but new market value continues to be important. McGough’s \$700 million redevelopment began construction in February with the light-rail station as the focal point of its 43-acre project. Bloomington Central Station will integrate 1,100 housing units, a 200-room hotel, offices, retail and a central park. The project will be built in five phases over seven years.

To create this national example of a mixed-use, transit-oriented development with affordable housing that also redevelops an existing site, the City agreed to fund infrastructure improvements including street reconstruction, structured parking, and utility and stormwater improvements. Assistant City Manager Clark Arneson said investing in public infrastructure is necessary to create a “place” for high-density, mixed-use

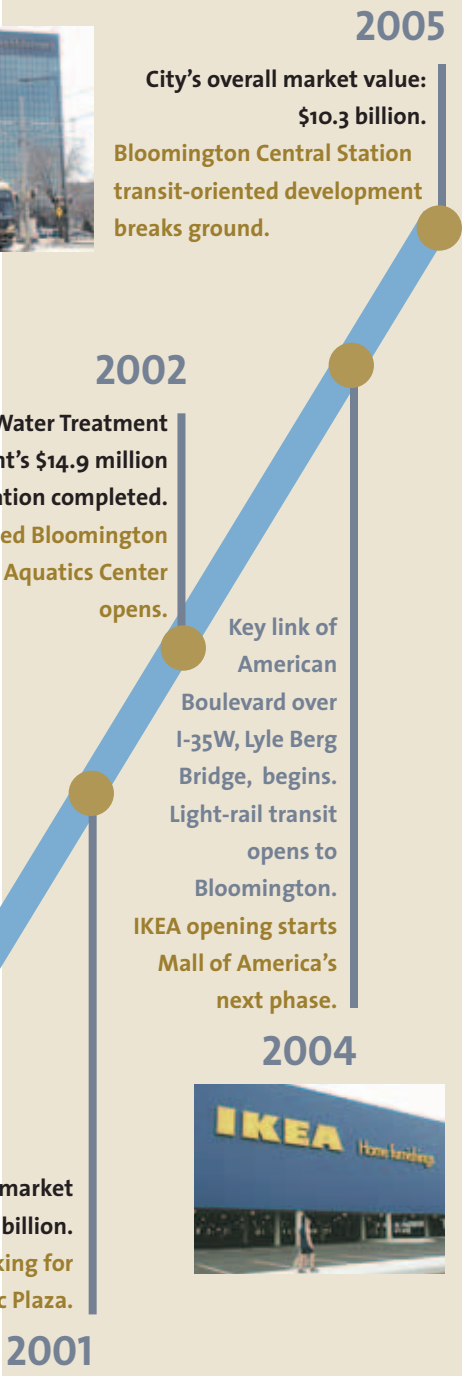
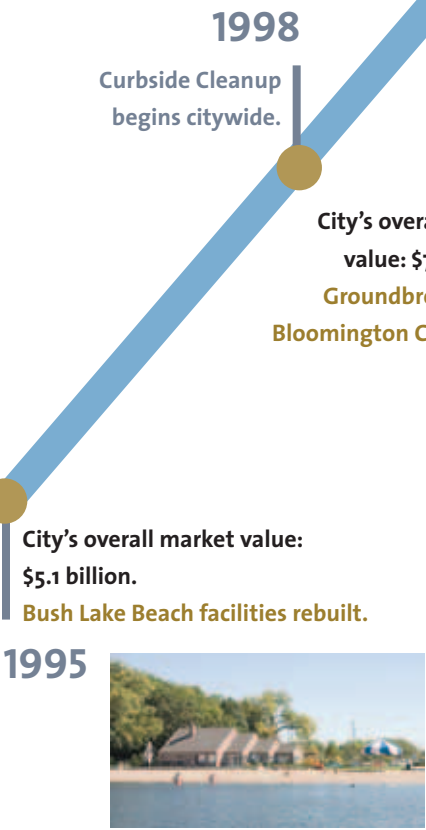
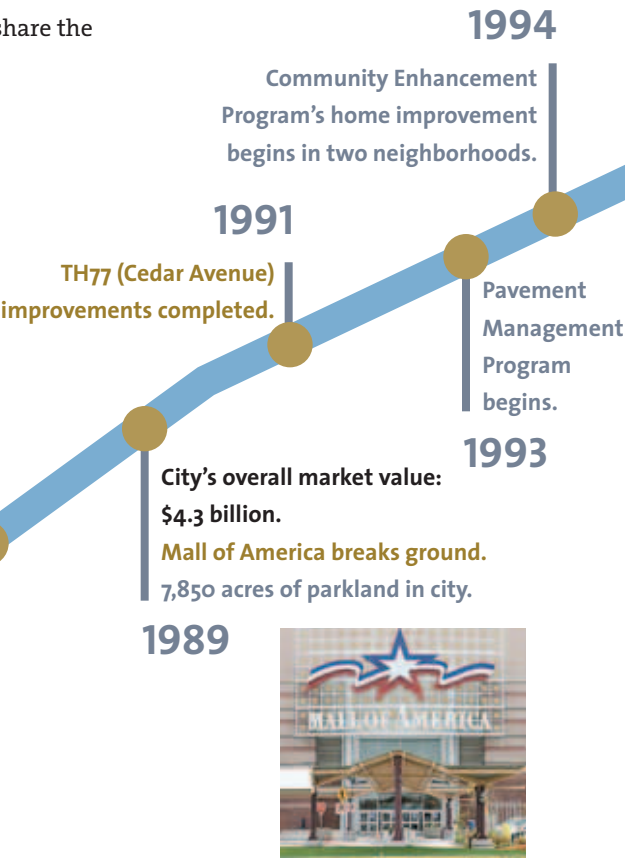
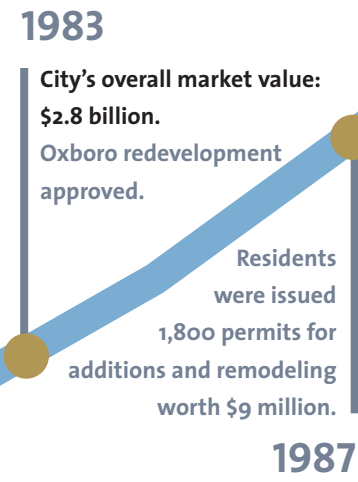
development. The City will provide one public dollar for every 10 dollars the developer spends. “Matching investment allows McGough to develop at a higher density, prompting similar transit-oriented development along the rail,” Arneson said. “Other sites in the area have the potential for at least 900 additional housing units.”



## SCHOOLS ARE AN INVESTMENT IN COMMUNITY

A major consideration when choosing a place to live is the caliber of the community’s education system. Bloomington schools are top rate. For the last eight years, the Bloomington School District has received the “What Parents Want” award from School Match, a national school-rating system. Only 15 percent of schools nationwide can claim this distinction. Six Bloomington schools are among the top 2 percent that have been named Blue Ribbon Award winners. Mayor Gene Winstead said good schools make Bloomington a popular city in which to live and work. Bloomington is unique in that the City of Bloomington and Bloomington Public Schools share the same boundaries.

“Wherever home buyers choose to live in our community, their children will attend one of Bloomington’s very fine schools,” Superintendent of Schools Gary Prest said. In May 1999, a \$107 million bond referendum to renovate Bloomington’s schools was approved by a 3-to-1 vote. Schools built in the 1950s and 1960s are now state-of-the-art facilities that will serve the next generation. “Bloomington citizens enjoy one of the lowest tax rates in the metropolitan area,” Prest said. “Renovating our schools provides a good return on the dollar as reflected in residents’ property values.”



## INCREASE IN VALUE YEAR AFTER YEAR

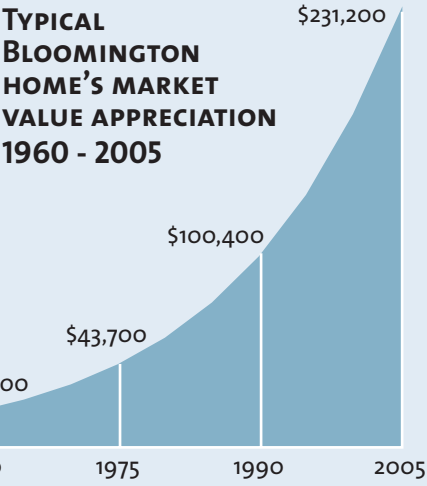


## PROPERTY OWNERS INVEST IN EXISTING REAL ESTATE

MANY PEOPLE’S MOST IMPORTANT ASSET is their home. In 1960, the average home in Bloomington had a market value of \$19,000. Today that same home is valued at more than \$230,000. Residents and businesses are continuing to reinvest in their properties. Of the 12,344 building permits issued last year, 8,000 were for remodeling existing properties. The

improvements will add \$17 million to Bloomington’s real property value. Bloomington City Assessor Jack Pasternacki said Bloomington’s value growth is a testimony to the community’s continued desirability as a place to live, raise a family and do business. “The city offers great schools, an outstanding park and recreation

system and a variety of housing options in a central location,” Pasternacki said. “Ready access to I-494, the airport, and the downtowns of Minneapolis and St. Paul have also attracted retail developments such as the Mall of America, a significant hotel presence, premier office developments and strong industrial segments.”







## All Day, Every Day

### 2005 OPERATING REVENUE SOURCES

THE CITY’S MAJOR FUNDS FALL INTO THE categories of General, Enterprise, Debt Service, Capital Projects, Internal Service and Special Revenue. Shown on the next three pages, these funds demonstrate how quality City services provide a good value for your tax dollar.

Bloomington’s low property tax rate is maintained by maximizing other fund sources and increasing productivity. By diversifying revenue, the City is in a strong position to withstand economic shifts.

Property taxes	\$33,562,218
Fees/charges	21,052,161
Program income	7,292,655
Lodging/admissions	5,152,620
Licenses/permits	4,285,642
Intergovernmental	3,233,259
Transfers/other	2,359,507
Special assessments	1,500,000
Fines/forfeitures	1,194,076
Interest	1,088,131
Franchise fee	842,900
Total revenues	\$81,563,169

### 2005 BUDGETED EXPENDITURES BY FUND

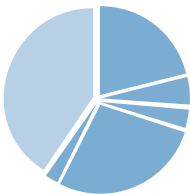
THE CITY OF BLOOMINGTON’S BUDGETED expenditures for 2005 total \$83,947,120\*.

General Fund	\$45,069,480
Enterprise Funds	30,137,304
Special Revenue Funds	5,225,094
Debt Services	3,515,242
Total expenditures	\$83,947,120

\* The \$2.4 million difference between 2005 revenues and expenditures is the fund balance for Capital Projects.



In addition to regularly inspecting every restaurant in Bloomington, Environmental Health investigates all food complaints within 24 hours and neighborhood nuisance complaints.



## THE GENERAL FUND

THE GENERAL FUND, WHICH ACCOUNTS FOR A MAJORITY OF CITY SERVICES, IS BLOOMINGTON’S PRIMARY operating fund. It uses current revenues to fulfill current expense obligations. This section contains specific information about each department within the General Fund.

	2004 BUDGET	2005 BUDGET	NET PROPERTY TAX*
POLICE	\$14,380,349	\$15,138,910	\$17.49
The Police Department works with the community to make the city a safe place to live, and partners with residents and businesses to address their diverse needs.			
PUBLIC WORKS	\$9,182,134	\$9,818,615	\$14.13
Public Works provides safe and efficient transportation routes throughout Bloomington; maintains the City’s streets, parks, vehicles and public facilities; and reviews the impact construction and development projects will have on local and regional infrastructure.			
COMMUNITY SERVICES	\$7,665,946	\$7,795,813	\$7.93
Community Services fosters opportunities for all residents, produces communication materials, provides public health services, and manages parks and recreational activities.			
FIRE	\$1,877,043	\$2,429,542	\$6.30
The Fire Department protects the community by performing rescues; responding to fires, emergencies and hazardous materials incidents; and teaching fire prevention.			
COMMUNITY DEVELOPMENT	\$4,644,047	\$4,821,230	\$2.80
Community Development partners with the community to enhance Bloomington through planning, economic development and redevelopment activities. The department promotes safety by obtaining compliance with state and City codes.			
TECHNICAL SERVICES	\$1,878,591	\$1,945,438	\$2.24
Technical Services furnishes licensing, assessment, elections, records management and cemetery services to Bloomington’s residents.			
FINANCE	\$1,187,508	\$1,200,059	—
Finance provides financial management services and internal support services to other departments.			
LEGAL	\$781,587	\$857,890	—
Legal advises the City Manager, City Council, City departments, and advisory boards and commissions.			
COUNCIL, COMMISSIONS, CITY MANAGER	\$915,513	\$628,405	—
Bloomington is governed by an elected, part-time City Council consisting of a mayor and six councilmembers. Legislative power is vested in this Council, which appoints citizens to advisory commissions, and a City Manager, who is responsible for the administration of City business. The City Manager appoints all other employees and performs duties as directed by the Council.			
HUMAN RESOURCES	\$583,952	\$610,489	—
Human Resources recruits and assists in hiring staff, oversees employee benefit programs and conducts employee relations activities on behalf of the City.			

\*Net property tax is the portion of the levy allocated to these services.

### A SIGNIFICANT FINANCIAL ACHIEVEMENT – THREE TRIPLE-A RATINGS TOP SCORES FROM S & P’s, MOODY’S AND FITCH

BLOOMINGTON JOINED AN ELITE FEW cities nationwide with three triple-A bond ratings. In October 2004, Fitch Ratings became the third credit rating agency to assign a triple-A to the City based on its healthy economic growth, strong financial management and manageable debt burden.

The City also maintained its Aaa from Moody’s and AAA from Standard & Poor’s, the highest bond ratings awarded by those agencies.

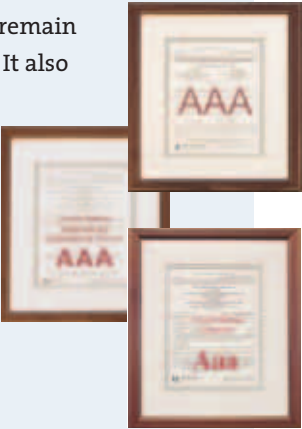
Bloomington is one of only 20 cities out of more than 87,000 local governments in the U.S. that have

achieved triple-A ratings from all three agencies. Our city is currently the only city in Minnesota to hold all three highest ratings.

According to the agencies, Bloomington’s triple-A status reflects the City’s conservative fiscal management, diverse economic base, central location, low unemployment rates that fall below state and national averages, and continued success in the Mall of America tax increment district.

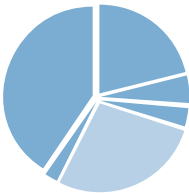
The City’s excellent bond ratings signal current and potential investors that our financial future is strong and

ensures Bloomington’s interest costs will remain as low as possible. It also communicates to businesses and individuals that Bloomington is a healthy community.





# ALL DAY, EVERY DAY

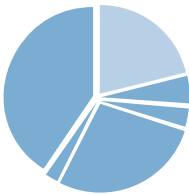


## ENTERPRISE FUNDS

THESE FUNDS CONSIST OF UTILITIES, RECREATIONAL FACILITIES AND CONTRACTUAL POLICE SERVICES primarily supported by user fees. Operating expenses do not include debt service expenses, capital outlay or transfers to other funds.

		2004 BUDGET	2005 BUDGET	AVERAGE FEE PER MONTH
COMMUNITY SERVICES	RECREATIONAL FACILITIES	\$3,476,289	\$3,763,402	\$1.35*
PUBLIC SAFETY	CONTRACTUAL POLICE	590,944	625,632	--
PUBLIC WORKS	SOLID WASTE MANAGEMENT	742,318	744,483	1.86**
	STORM WATER UTILITY	1,814,439	1,817,339	4.00
	WASTE WATER UTILITY	7,474,405	7,982,241	10.69
	WATER UTILITY	8,061,182	8,387,742	15.98***
TECHNICAL SERVICES	MOTOR VEHICLE OFFICE	472,414	505,902	--

\*Average property tax cost for median home per month.  
\*\*Residents receive a 63 cent recycling credit per month from a county grant.  
\*\*\*Based on 7,500 gallons per month.

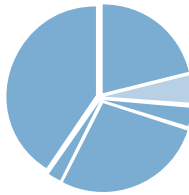


## INTERNAL SERVICE FUNDS

THESE FUNDS FINANCE INTERDEPARTMENTAL GOODS AND SERVICES ON A COST-REIMBURSEMENT basis from a variety of end-user funds. Internal Service Funds are supported by user fees already included as expenses to other funds in this report. Operating expenses do not include debt service, capital outlay or transfers to other funds.

	2004 BUDGET	2005 BUDGET
EQUIPMENT POOL	\$2,479,282	\$2,470,863
FACILITIES REPLACEMENT	2,325,770	2,659,200
INFORMATION SYSTEMS	3,064,932	3,360,385
INSURED BENEFITS	5,852,100	6,582,073
PUBLIC SAFETY RADIO	200,135	424,163
SELF-INSURANCE	**	**
SUPPORT SERVICES	501,417	554,248

\*\*Working capital goals/insurance reserves established and maintained.



## SPECIAL REVENUE FUNDS

THESE FUNDS ACCOUNT FOR REVENUES USED FOR SPECIFIC PURPOSES INCLUDING HOUSING AND community development, communications, public health initiatives and law enforcement activities.

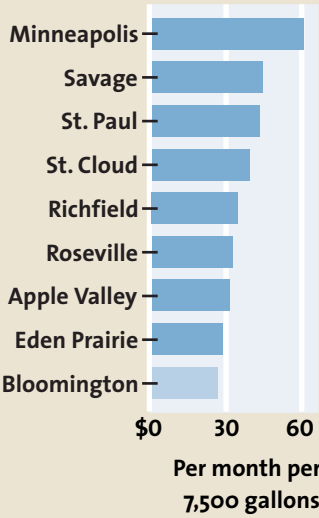
		2004 BUDGET	2005 BUDGET	FUNDING
COMMUNITY DEVELOPMENT	AIRPORT SOUTH ENVIRONMENT REVIEW	\$30,000	\$120,000	Environmental review fees
COMMUNITY SERVICES	COMMUNICATIONS	868,920	902,449	Franchise fee/other fund charges
	PUBLIC HEALTH SPECIAL REVENUE	809,073	772,140	Funded by state grants
PUBLIC SAFETY	PENSION RESIDUAL ASSET FUND	4,615,846	3,186,605	One-time reimbursement*
	POLICE SPECIAL REVENUE	232,000	243,900	Forfeited assets and grants

\*Used for specific police capital and operating expenses.

## 2005 RESIDENTIAL WATER AND SEWER RATE SURVEY

MONTHLY COSTS TO RESIDENTS IN NINE cities for water and sewer service in 2005 range from \$26.52 per 7,500 gallons in Bloomington to \$61.38 in Minneapolis. Most of these cities, including Bloomington, soften their water before distribution to residents.

The City's softened water and sewer services are bargains at only 1 cent per 2.8 gallons – another example of how the City's quality services are a good value for your dollar.



## COMMUNICATIONS TAKES HOME THE GOLD

THE CITY COLLECTED EIGHT AWARDS for its communications efforts from local and national organizations in 2004. Four of the awards paid tribute to the grand opening events for Bloomington Civic Plaza. The honors included:

**City-County Communications and Marketing Association**

*Silver Circle Award:*  
Bloomington Civic Plaza Debut

**League of Minnesota Cities**  
*City Achievement*

*Communications Award:*  
*Briefing and Insider* makeover

**National Association of Telecommunications Officers and Advisors**

*Third Place:* “Bloomington Today: Year in Review 2003” cable program

**Minnesota Association of Government Communicators**

*Award of Excellence:*  
Bloomington Civic Plaza Debut  
*Award of Merit:*  
Internal periodicals  
*Award of Merit:* “Only on Cable” public service announcement

**Association for Women in Communications – Twin Cities Chapter**

*Award of Merit:*  
Bloomington Civic Plaza Debut  
**International Association of Business Communicators - District 4**  
*Award of Merit:*  
Bloomington Civic Plaza Debut





ALL DAY, EVERY DAY

ABOUT THIS REPORT

THE CITY COUNCIL PRESENTS THIS CORPORATE report of financial and related information to show how Bloomington's city government performs. This publication does not include Housing and Redevelopment Authority or Port Authority budgets.

- Mayor**  
Gene Winstead, 952-888-1258 (h); gwinstead@ci.bloomington.mn.us
- Councilmembers**  
council@ci.bloomington.mn.us  
Dave Abrams, 952-833-0505 (h)  
Steve Elkins, 612-578-2103 (c)  
Amy Grady, 952-884-6502 (h)  
Heather Harden, 952-835-5919 (h)  
Steve Peterson, 952-884-3262 (h)  
Vern Wilcox, 952-854-1425 (h)
- City Manager**  
Mark Bernhardson, 952-563-8780  
citymanager@ci.bloomington.mn.us
- Assistant City Manager**  
Clark Arneson, 952-563-8921  
carneson@ci.bloomington.mn.us

The City of Bloomington reports financial year-end results in the 155-page *Comprehensive Annual Financial Report* (CAFR). This popular report summarizes the most significant data from the 2004 CAFR and the 2005 *Annual Budget*, and is consistent with Generally Accepted Accounting Principles. The report reflects the net tax cost by service expenditure developed by crediting related revenues against appropriate expenditures and allocating local taxes against the remaining balance.

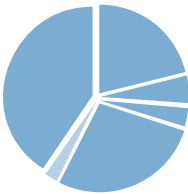
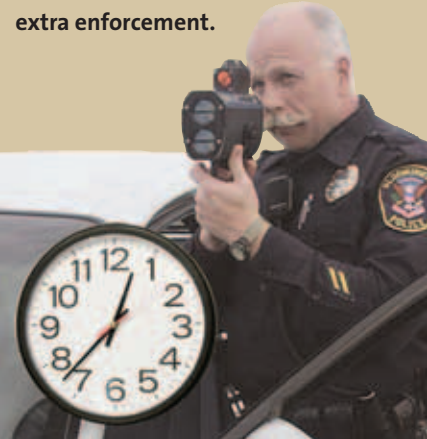
The *City of Bloomington Corporate Report to the Community* is unaudited. This popular report format has been used for the past seven years and is also available on our Web site at [www.ci.bloomington.mn.us](http://www.ci.bloomington.mn.us).

For a complete review of the City's financial position for 2004, consult the *CAFR for the Year Ended December 31, 2004*, available from the Hennepin County Library, Bloomington Finance Department or the City's Web site. To view the 2005 *Annual Budget*, visit [www.ci.bloomington.mn.us](http://www.ci.bloomington.mn.us), or for more information, call 952-563-8790.

WHAT DO YOU THINK?

DIRECT COMMENTS AND SUGGESTIONS to the Finance Department, phone: 952-563-8790, e-mail: [finance@ci.bloomington.mn.us](mailto:finance@ci.bloomington.mn.us). Visit [www.ci.bloomington.mn.us](http://www.ci.bloomington.mn.us) to find out more about City services.

Bloomington's increase in traffic law enforcement has resulted in a decrease in personal injury accidents by more than 40 percent. Beginning in 2004, high-volume crash areas were targeted with extra enforcement.



CAPITAL PROJECTS

CAPITAL PROJECTS PURCHASE AND IMPROVE MAJOR ASSETS such as land, structures, equipment and streets.

2004 BUDGET	2005 BUDGET
\$10,477,717	\$2,352,009



AIRPORT SOUTH PROJECT

More than \$100 million has been budgeted over the next five years for infrastructure improvements in this development district. The project is being funded from tax increment financing revenues and is in its first year of a revised five-year program. Anticipated 2005 capital expenditures total \$2 million for American Boulevard. *See right.* An additional \$50,000 in maintenance costs will be included in the operating budget.



AMERICAN BOULEVARD  
KEY LINK BEGAN IN 2004

American Boulevard will provide an alternative way to travel across the community and help ease Interstate congestion. The route runs along I-494 between East Bush Lake Road and 34th Avenue. Several segments have been completed over the last five years.

A bridge over I-35W, the key link to connect the east and west sides of American Boulevard, began construction in August 2004. The \$12.5 million bridge is scheduled to open in fall 2005. A federal grant funds 80 percent of construction costs. The City of Bloomington and the Minnesota Department of Transportation also support the project.

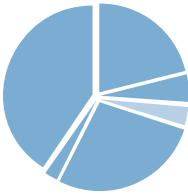
PARKS

Major park improvements scheduled in 2005 include development of Bush Lake Road Trail, improvements to the Minnesota River Trail for \$1.2 million and baseball field improvements for \$1 million. Replacing playground equipment and addressing accessibility concerns will also be implemented with no effect on operating costs.



PAVEMENT MANAGEMENT

The Pavement Management Program is a funding and implementation plan for repair, maintenance and reconstruction of Bloomington roadways. Identified needs are funded through state aids, assessments and an annual levy. To maximize efficiency, the most opportune time to repair streets is calculated and the funding needs are levied over several years. Approximately \$6.4 million is budgeted for program expenditures in 2005.



DEBT SERVICE

MANY COMMUNITY NEEDS MUST BE MET BY THE CITY OF BLOOMINGTON, INCLUDING STREET AND infrastructure work, construction projects and equipment purchases. The City's ability to issue future debt at lower interest rates will provide for our community's upkeep and renewal without substantially increasing property taxes for debt service.

2004 BUDGET	2005 BUDGET	AVERAGE NET PROPERTY TAX COST PER MONTH
\$3,054,922	\$3,512,242	\$6.25 <i>See page CR2.</i>

OUTSTANDING DEBT

The City's total outstanding General Obligation debt on December 31, 2004, was \$35 million. The statutory debt limit for Bloomington is \$193,740,000 or \$2,270 per capita.

The City's net debt per capita is \$370. *See right.* The net debt includes all general obligation debt of the City, the Housing and Redevelopment Authority and the Port Authority.

Half of Bloomington's debt will be paid off in 10 years – a sign of a strong financial organization.

Housing General Obligation Revenue Bonds	\$9,305,000
Port Authority Bonds	48,665,000
City of Bloomington Debt	35,270,000
<b>TOTAL</b>	<b>\$93,240,000</b>
<i>Less: Revenue funded bonds</i>	<i>(51,205,000)</i>
Amount on hand	10,203,215
<b>NET DEBT as of 12/31/04</b>	<b>\$31,531,785</b>
<b>NET DEBT per capita</b>	<b>\$370</b>